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MARKET ANALYSIS - December 05, 2002

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Corn trade has been moving gradually lower over the past week motivated in part by technical selling and spillover pressure from the beans and wheat pits. Although the technical indicators suggest a bearish strategy, traders are still holding off waiting to look at new export numbers. They seem to be convinced that true price movement in this market is from the fundamentals – specifically the demand side. Do not expect much movement in the corn pits due to the December USDA report (next week) but rather focus your attention on the January report (where most changes are made) and keep an eye on the South American weather patterns. With harvest basically over locally we are seeing a generally healthy basis pattern across the state. This is the highest we have seen at this time of year for many years. Those wanting cash flow might sell and lock into calls (paper storage) to enjoy any future price rally from the new USDA numbers due out next week (and January). South American weather worries continue to provide the only support to the soybean market with moisture further delaying plantings in some areas (and talk of disease and fungus). However, those ever-influential funds spoiled the party midweek by dumping close to 4000 bean contracts and 9000 oil contracts in one day. Fortunately the market thought this was oversold and the market rebounded but we are still down on the week. Bulls in the soybean complex pits will have to keep on the lookout. The seasonal tendency is for the January and March contracts to drop in December until early January. Meal is also weaker around this time too with only oil keeping things afloat. One recommended strategy in the soybean market is to lock in prices on 50% of the crop, look for some basis improvement as we move into December (although we are at very high levels here from a historical perspective) and then maybe store on paper (as in the corn market) in the New Year incase of some serious damage to the South American crop which would drive prices up. In the wheat market the two production estimates from Canada and Australia (both down) seem to be the only fundamental issues to look at right now apart from the crop report (61% of winter wheat in good to excellent condition). The market continues to fall slightly in low export activity. The tight U.S. carryover number makes it hard to believe we can stay in this low price range for too long, but traders seem to be thinking of something else negative which is holding prices down.

BASIS TABLE

	CORN	BASIS	SOYBE	AN BASIS	WHEAT BASIS		
LOCATION	CASH (Dec02)	NEW (Dec02)	CASH (Nov02)	NEW(Nov02)	CASH(Dec02)	NEW(Jul03)	
Baltimore	n/a	n/a	-\$.12	-\$.08	n/a	n/a	
Western MD	+\$.62	n/a	+\$.06	n/a	-\$.08	n/a	
Central MD	+\$.46	+\$.46	-\$.01	+\$.03	+\$.04	-\$.23	
Southern MD	+\$.25	+\$.25	-\$.02	+\$.02	-\$.17	-\$.30	
Upper E. Sh	+\$.36	+\$.36	+\$.03	+\$.07	-\$.17	-\$.25	
Lower E. Sh	+\$.45	+\$.45	+\$.13	+\$.17	-\$.14	-\$.23	

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

This report will resume again in April 2002.

Grade and Commodity	#2 Y S Co	helled orn	#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	11/20	12/04	11/20	12/04	11/20	12/04	11/20	12/04
Baltimore			5.61	5.56				
Western Md	3.02	3.00	5.80	5.74	3.70	3.50	2.20	1.98
Central MD	2.90	2.84	575	5.67	3.80	3.62	1.60	1.60
Southern MD	2.73	2.63	5.76	5.66	3.51	3.41		
Upper E. Sh	2.83	2.74	5.81	5.71	3.51	3.41		
Lower E. Sh	2.93	2.83	5.91	5.81	3.52	3.44		

Soybean Meal	Lower Eas	stern Shore	Dealer's Avera	Dealer's Average Cash Quotes (\$/ton)				
Date	11/20	12/04	Date	11/20	12/04			
48% Soybean Meal	203.00	201.00	44% Soybean Meal	191.00	189.00			

Grade and Commodity		#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	11/20	12/04	11/20	12/04	11/20	12/04	11/20	12/04	
Baltimore			5.61	5.56					
Western Md	3.06		5.60				1.75		
Central MD	2.90	2.84	5.75	5.67	2.93	2.90			
Southern MD	2.73	2.63	5.76	5.66	2.85	2.83	1.45	1.45	
Upper E Shore	2.83	2.74	5.81	5.71	2.90	2.88	1.60	1.60	
Lower E Shore	2 93	2.83	5 91	5.81	2 92	2 90	1.62	1 53	

GRAIN I	FUTURES - Chic	ago Board of Tra	de (cents/bu) -Dec	05, 2002				
Corn			Soybeans		Wheat	Soyb	Soybean Meal 1	
Dec	234.00	Jan	562.00	Dec	347.00	Dec	163.00	
Mr03	236.00	Mar	558.75	Mr03	353.00	Ja03	164.30	
May	238.25	May	550.75	May	339.50	Mar	164.40	
Jul	240.75	Jul	547.25	Jul	306.50	May	163.20	
Sept	240.00	Aug	537.50	Sept	310.50	Jul	162.60	
Dec	239 00	Sent	521.50	Dec	321.50	Aug	159 90	

		_							
HAY AND STR	AW (\$/cwt))							
New Holland, P				T' '		1 1		Gt.	D 10
Alfalfa 127.00-19		Mixed 127.00-34		Timothy 60.00-250.0		rchardgrass .00-170.000	87.	Straw 00-132.00	Reed Canary 68.00-95.00
Westminster, M									
Alfalfa	Alfalfa (lg	Rd) Tim		lixed	Grass Lg R 19.00-22.0	d G	rass	Mulch	Straw
2.25-5.70 SOUTHERN M	31.00-37. D - \$/bale -		-3.90 1.4	0-4.00	19.00-22.0	0 1.00)-3.10	.5070	1.00-2.00
SOCIETA	D Wibare			Next Sa	ale 12/07/02				
POULTRY (Gr	ade A) - We				ed Price, cen				
NY Wtd Avg. (F	rvers)	<u>Current V</u> 47.30	<u>eek</u>	Week Ago 46.35	Month 45.87		ar Ago 0.78		
12-City Compos	• /	53.14		53.36	52.93		8.82		
LAMBS - West	minster, MI	D - \$/cwt - De	c 04, 2002						
Ch	100-125 lb		.00- 95.00		Sh	eep 18 Hd		30.00-50.0	00
	80-100 lb		.00-102.00						
ERMINAL MA	60- 80 lb		.00-115.00	ln.	ІВЕСТ МА	DVET HOO	CC Westr	ninstan M	D-Dec 05, 2002
Base Price Ran		Carcass Bas			IKECI MA	18		,	34.00-36.75
a.m.	ge (m/ewi)	Base 185 lb H				10	250	- <i>545</i> 108 .	J-1.00-30./J
Castern Cornbel	t	43.36-48.09							
owa, Minn		43.29-48.41	21.35-	25.55 M	Iillsboro, DE	Market Ho	<u>gs</u> - \$/cwt	- \$ 26.0	0
FEEDER PIGS	5 - (\$/cwt) -								
Gumboro, DE					New Holland				1- 6- 16
Head:	Trend:	- Sala 12/16/02		1	Head: 656	Trend: No	ot enough -	going back	to feed for a test
	inext	t Sale 12/16/02							
LIVE CATTLE	E FUTURES	S - Chicago Mo	ercantile Excl	hange- I	HOG FUTU	RES - Chica	go Merca	ntile Exch	ange -
(\$ cwt) - Dec 04	, 2002			(\$ cwt) - Dec	04, 2002			
Dec Fb03	75.62 79.52	Jun Aug	72.82 71.30		Dec Feb03	46.42 54.80		•	62.87 66.75
Apr	78.62	· 8	0	_	Apr	59.87			
STOCKER-FE		,	t)						
Winchester, VA	· ·				stminster, M	D - Dec 03,			
	300- 400 lb 400- 500 lb			Stee	ers		200-400 l 400-500 l		71.00- 81.00 80.00- 84.00
	500- 600 lb						500-700 l		64.00- 75.00
	600- 700 lb						700-900 1		54.00- 60.00
	700- 800 lb	s 68.50-80.0	00	Hei	fers		300-500 1	bs	59.00- 65.00
	800- 900 lb						500-700 1		58.00- 68.00
	900-1100 lb	s 70.00-75.5	50	Пор	s Bulls #1		700-900 l 94-120 l		49.00- 59.00 80.00-102.00
Heifers	300- 400 lb	s 71.00-79.0	00	1101	S DUIIS #1		94-120 l 84- 94 l		55.00- 75.00
	400- 500 lb				#2		90- 120		60.00- 80.00
	500- 600 lb			Hol	s Heifers #1		90- 115		340.00-390.00
	600- 700 lb			ъ. «	ew n u o s	T C	80- 115	lbs	200.00-300.00
Lancaster, New	700- 800 lb				f X Bulls & 1	neiters			90.00-127.00
Lancaster, New Bull, Holstein	monanu &	95-115 l	_		Plair	ner	94	5-125 lbs	65.00-120.00
Heifers, Hols.		95-105			Plair			0-115 lbs	150.00-190.00
SLAUGHTER (
Westminister, N Fed Steers	1D - Dec 0	3, 2002			Fod Usifara				
Hed Steers H-Ch-Pr		7	0.00-74.00		Fed Heifers H-Ch-Pr		1100-130	0 lbs	71.00-72.75
Over		1500 lbs 6	8.00-70.25		Select-L-Ch				61.00-67.00
Ch 2-3 Select			7.00-71.00 0.00-66.00		Veal Calves Good		80- 11	15 lbs	35.00-45.00
Ch-Hols	1200-		8.00-60.25		30 0		00 1	- 5 - 10 5	22.00 12.00
C ows Breakers		2	6.00-41.00						
Breakers Few			6.00-41.00 2.00-44.75						
Boners		3	4.00-38.00						
Lean Fhin Light			8.00-33.00 8.00-DOWN						
Lancaster, New	Holland &			ec 07, 2002					
Steers, Choice 2-		- U	490 lbs	71.75-74.	75 Stead	y week early	; closing a	s much as S	\$1 higher
Heifers, H-Choic	ee-P 2-4	1150-1	270 lbs	71.50-72.	25 Suppl	y light; not e			J
Cows, Breakers	75-80 pct lea		240.11	39.00-44.		- \$2 lower	- 62.1	1 1	1 .1 1 . 1 . 1
Bulls, YG 1			240 lbs	44.00-53.	-		s \$3 lower	, but closed	d sharply higher
Vealer, Standard	& Casa	00	115 lbs	30.00-35.	()()	t steady			

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